

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 1895 - SB 2050

March 10, 2014

**SUMMARY OF ORIGINAL BILL:** Creates health insurance mandates related to telehealth. A health insurance carrier:

- Shall provide coverage under a health insurance policy or contract for covered healthcare services delivered through telehealth;
- Shall reimburse a licensed healthcare provider for the diagnosis, consultation, and treatment of an insured patient for a healthcare service covered under a health care policy or contract that is provided through telehealth;
- Is prohibited from denying payment of healthcare coverage solely because it is provided through telehealth and is not provided in-person between a healthcare provider and a patient.
- May impose a deductible, copayment, or coinsurance amount on benefits for healthcare services that are delivered through a telehealth encounter; provided, however, that the patient responsibility is similar to what it would be had the service been delivered through an in-person encounter; and
- Shall reimburse licensed healthcare providers who are out-of-network for telehealth care services under the same reimbursement policies applicable that the benefit plan permits for in-person encounters that are out-of-network.

Requires a health insurance carrier to reimburse for telehealth services under the same reimbursement policies that the benefit plan permits for in-person encounters.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

IMPACT TO COMMERCE OF ORIGINAL BILL:

NOT SIGNIFICANT

**SUMMARY OF AMENDMENTS (012448, 014049):** Deletes all language after the enacting clause and rewrites the bill. Defines healthcare services to be consistent with the Tennessee Health Freedom Act. Removes specific references to licensed healthcare services. Specifies that the healthcare services are covered services by the carrier. Adds “store-and-forward telemedicine services” to those services offered under the definition of telemedicine

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services. Defines store-and-forward telemedicine services as the use of asynchronous computer-based communication between a patient and a healthcare services provider at a distant site for the purpose of diagnostic and therapeutic assistance in the care of patients and includes the transferring of medical data from one site to another through the use of a camera or similar device that records or stores an image that is sent or forwarded via telecommunication to another site for consultation. This act shall take effect on January 1, 2015.

## **FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:**

### **Unchanged from the original fiscal note.**

Assumptions for the bill as amended:

- According to the Department of Finance and Administration, Division of Benefits Administration, both carriers of the healthcare plans administered by the Division currently cover telehealth sufficiently for compliance with this act.
- According to the Bureau of TennCare, this will have no significant impact on the program.
- Any savings to any health plans administered by either the Division of Benefits Administration or the Bureau of TennCare cannot be determined precisely but are reasonably estimated to be not significant.
- According to the Department of Commerce and Insurance, any oversight responsibilities can be accommodated within existing resources.

## **IMPACT TO COMMERCE WITH PROPOSED AMENDMENTS:**

### **Unchanged from the original fiscal note.**

Assumptions for the bill as amended:

- Any increase in expenditures incurred by health insurers to meet the requirements of the bill is estimated to be not significant.
- Any savings experienced by either health care providers or consumers, either through payouts of healthcare claims by providers or premiums paid by consumers, is estimated to be not significant.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

/jdb